Aurora Education Foundation Limited

ABN 28 158 391 363

Annual Report - 30 June 2019

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AURORA EDUCATION FOUNDATION LIMITED
Auditor's Independence Declaration
To the Committee Members of Aurora Education Foundation Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm:	Logicca Assurance Pty Limited
Name of Director:	Peter Hersh
Address:	Level 6, 151 Macquarie Street Sydney NSW 2000
Dated this	29th January 2020

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General information

The financial statements cover Aurora Education Foundation Limited as an individual entity. The financial statements are presented in Australian dollars, which is Aurora Education Foundation Limited's functional and presentation currency.

Aurora Education Foundation Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

100 Botany Rd, Alexandria NSW 2015

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 January 2020.

Aurora Education Foundation Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	2019 $	2018 $
Revenue			
Corporate and Philanthropic Donations		803,123	376,516
Corporate and Philanthropic Grants		345,562	471,486
Government- Grants		3,218,040	1,710,205
Universities-Donations		223,000	168,906
Fee for Service		76,350	6,750
Reimbursements for International Scholarships		279,539	177,521
Related Entity Fee and Recharges- Aurora Program		402,896	272,184
Interest		46,448	67,912
Currency Gain/(loss)		3,391	(6,037)
Miscellaneous		-	9,483
		5,398,349	3,254,926
Insurance Recovery	14	-	90,000
Total Income		5,398,349	3,344,926
Expenses			
The Aspiration Initiative/ High School Program		(1,737,509)	(1,080,061)
Indigenous Scholarships Portal		(311,785)	(337,872)
International Scholarships and Executive Education Bursaries		(1,411,753)	(939,681)
Indigenous Scholars International Study Tour		(621,489)	(501,454)
Outreach Program		(252,461)	(167,661)
Internship Program		(6,114)	(149)
Related entities expenses- Aurora program	2	(258,752)	-
Fraud Expense	14	-	(190,671)
Surplus before income tax expense		798,486	127,377
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Aurora Education Foundation Limited		798,486	127,377
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Aurora Education Foundation Limited		798,486	127,377

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Aurora Education Foundation Limited
Statement of financial position
As at 30 June 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	4	1,031,800	3,508,598
Trade and other receivables	5	805,082	323,033
Other	6	26,694	1,802
Total current assets		1,863,576	3,833,433
Non-current assets			
Property, plant and equipment	7	31,442	19,595
Total non-current assets		31,442	19,595
Total assets		1,895,018	3,853,028
Liabilities			
Current liabilities			
Trade and other payables	8	558,008	267,471
Other creditors	9	152,494	3,214,854
Employee benefits	10	131,460	84,560
Visa Card	11	23,914	59,889
Total current liabilities		865,876	3,626,774
Non-current liabilities			
Employee benefits	12	28,123	23,721
Total non-current liabilities		28,123	23,721
Total liabilities		893,999	3,650,495
Net assets		1,001,019	202,533
Equity			
Retained surpluses		1,001,019	202,533
Total equity		1,001,019	202,533

The above statement of financial position should be read in conjunction with the accompanying notes

Aurora Education Foundation Limited
Statement of changes in equity
For the year ended 30 June 2019

	Retained profits $	Total equity $
Balance at 1 July 2017	75,156	75,156
Surplus after income tax expense for the year	127,377	127,377
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	127,377	127,377
Balance at 30 June 2018	202,533	202,533

	Retained profits $	Total equity $
Balance at 1 July 2018	202,533	202,533
Surplus after income tax expense for the year	798,486	798,486
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	798,486	798,486
Balance at 30 June 2019	1,001,019	1,001,019

The above statement of changes in equity should be read in conjunction with the accompanying notes

Aurora Education Foundation Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from grants, contract and donation income (inclusive of GST)		1,954,801	2,161,856
Payments to suppliers (inclusive of GST)		(4,380,205)	(3,318,993)
		(2,425,404)	(1,157,137)
Interest received		46,448	67,912
Net cash used in operating activities		(2,378,956)	(1,089,225)
Cash flows from investing activities			
Payments for property, plant and equipment	7	(97,842)	(27,992)
Net cash used in investing activities		(97,842)	(27,992)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(2,476,798)	(1,117,217)
Cash and cash equivalents at the beginning of the financial year		3,508,598	4,625,815
Cash and cash equivalents at the end of the financial year	4	1,031,800	3,508,598

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

The company has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

There was no impact on adoption on this accounting standards on the accounts.

Basis of preparation
In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare and distribute financial statements to the members of Aurora Education Foundation Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members of Aurora Education Foundation Limited.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Note 1. Significant accounting policies (continued)

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the revenue can be reliably measured.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

When the company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value, these assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations are recognised as revenue when received.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Expenses
Related entities expenses are disclosed separately due to a change in accounting policy. In prior years, indirect expenses were allocated to each program. Indirect expenses are no longer allocated to the programs.

Income tax
As the company is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

Leasehold improvements acquired and financed from grant income have been fully depreciated.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2019. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Related entities expenses- Aurora program

The company paid expenses relating to the Aurora Project.

Note 3. Reimbursements for International Scholarships

These are reimbursements for payments made on behalf of the Charlie Perkins and Roberta Sykes Trusts, which are related to the company.

Note 4. Current assets - cash and cash equivalents

	2019 $	2018 $
Cash on hand	1,853	650
Cash at bank	274,721	1,183,527
Cash on deposit	410,504	2,006,108
Foreign currency accounts	344,722	318,313
	1,031,800	3,508,598

Note 5. Current assets - trade and other receivables

	2019 $	2018 $
Trade receivables	648,368	288,654
Other receivables	156,714	34,379
	805,082	323,033

Note 6. Current assets - other

	2019 $	2018 $
Prepayments	26,694	1,802

Note 7. Non-current assets - property, plant and equipment

	2019 $	2018 $
Leasehold improvements - at cost	80,917	-
Less: Accumulated depreciation	(80,917)	-
	-	-
Plant and equipment - at cost	44,917	27,992
Less: Accumulated depreciation	(13,475)	(8,397)
	31,442	19,595
	31,442	19,595

Note 8. Current liabilities - trade and other payables

	2019 $	2018 $
Trade payables	439,633	164,587
PAYG and Super payable	48,634	20,299
BAS payable	69,741	82,585
	558,008	267,471

Note 9. Current liabilities - Other creditors

	2019 $	2018 $
Income in Advance	152,494	335,463
Grants in Advance	-	2,678,391
Macquarie Funding	-	101,000
Gandel Funding	-	100,000
	152,494	3,214,854

Note 10. Current liabilities - employee benefits

	2019 $	2018 $
Annual leave	84,045	64,096
Long service leave	47,415	20,464
	131,460	84,560

Note 11. Current liabilities - Visa Card

	2019 $	2018 $
Visa Card	23,914	59,889

Note 12. Non-current liabilities - employee benefits

	2019 $	2018 $
Long service leave	28,123	23,721

Note 13. Commitments

	2019 $	2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	67,550	-

The company has entered into a property lease which matures on 31 January 2020. Options exist to renew the lease at the end of the lease term.

Note 14. Fraud

In 2018, the Foundation was subject to a fraud where a number of emails purporting to come from its Managing Director resulted in fraudulent payments totalling $190,671. The Company received in the previous year a total reimbursement from its insurer of $90,000.

Note 15. Events after the reporting period

The company has tagged $445,000 of the current year's profit to programs which it will spend on intended projects in the 2020 financial year. Those income have been recognised in line with the company's current revenue recognition policy as they have no conditions attached and no reciprocal transaction requirement (Note 1: Revenue recognition).

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 16. Contributions on winding up

The company is incorporated under the Corporations Act and is a company limited by guarantee. In the event of the company being wound up, ordinary members are required to contribute a maximum of $10 each. The total amount that members of the company is liable to contribute if the company is wound up is $10.

Aurora Education Foundation Limited
Directors' declaration
30 June 2019

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 requirements to prepare and distribute financial statements to the members of Aurora Education Foundation Limited;

- the attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

On behalf of the directors

J Coates

Anthony Mitchell
Director

Julie Coates
Director

29 January 2020

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AURORA EDUCATION FOUNDATION LIMITED
ABN: 28 158 391 363

Report on the Audit of the Financial Report

We have audited the financial report of Aurora Education Foundation Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the financial report of Aurora Education Foundation Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012, including:

(a) giving a true and fair view of the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards-to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Responsible Entities and Those Charged with Governance for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards and the ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_files/ar3.pdf.
This description forms part of our Auditor's Report.

Name of firm: Logicca Assurance Pty Limited

Director: Peter Hersh

Address: Level 6, 151 Macquarie Street, SYDNEY NSW 2000

Dated this: 29th January 2020